

In the Specification

Please rewrite the paragraph at page 1, lines 14-15, to read as follows:

Digital watermarking systems are known in the art, and are shown, e.g., in copending applications 09/503,881 **(now patent 6,614,914)** and 09/452,023 **(now patent 6,408,082)**.

Please rewrite the paragraph at page 5, lines 9-10, to read as follows:

The two-step rejection criteria noted above is more particularly detailed in application 09/526,982 **(now patent 6,516,079)**.

Please rewrite the paragraph at page 7, lines 6-7, to read as follows:

For additional information on the use of the grid signal to convey payload information, see pending application 09/618,948 **(now patent 6,385,329)**.

Please insert, on page 7, between lines 7 and 8, the following text:

--Thus, for example, one embodiment is a method of encoding a digital content object with a watermark that represents both payload data and calibration data, where the method includes:

- defining a grid signal comprising a plurality of components in the Fourier domain;
- setting the polarities of said components in accordance with payload data to be represented thereby; and
- combining said grid signal with the digital content object to digitally watermark same

In such an arrangement, affine transformation of the digital content object can be discerned from affine transformation of the grid signal, and the payload can be discerned from the polarities of the grid signal components.

In the foregoing embodiment, the watermark may include other components in addition to those of which the grid signal is comprised. These other components can serve to convey additional payload data.

The payload data represented by the polarities of said grid signal components can convey various types of information, such as protocol information.--